Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.licensing@alaska.gov
https://www.commerce.alaska.gov/web/amco
Phone: 907.269.0350

Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

What is this form?

An operating plan is required for all marijuana establishment license applications. Applicants should review **Title 17.38** of **Alaska Statutes** and **Chapter 306** of the **Alaska Administrative Code**. This form will be used to document how an applicant intends to meet the requirements of those statutes and regulations. If your business has a formal operating plan, you may include a copy of that operating plan with your application, but all fields of this form must still be completed per 3 AAC 306.020(c).

What must be covered in an operating plan?

Applicants must identify how the proposed premises will comply with applicable statutes and regulations regarding the following:

- Control plan for persons under the age of 21
- Security
- Business records
- Inventory tracking of all marijuana and marijuana product on the premises
- Employee qualification and training
- Health and safety standards
- Transportation and delivery of marijuana and marijuana products
- Signage and advertising

Applicants must also complete the corresponding operating plan supplemental forms (**Form MJ-03, Form MJ-04, Form MJ-05,** or **Form MJ-06)** to meet the additional operating plan requirements for each license type.

Section 1 – Establishment & Contact Information

Enter information for the business seeking to be licensed, as identified on the license application.

Licensee:	Broken Dirt, LLC	**MJ License #:**	11638		
License Type:	Retail Marijuana Store				
Doing Business As:	Catalyst Cannabis Company				
Premises Address:	9900 Old Seward Hwy. #4				
City:	Anchorage	**State:**	Alaska	**ZIP:**	99515

Mailing Address:	6967 Laser Drive				
City:	Anchorage	**State:**	Alaska	**ZIP:**	99504

Designated Licensee:	William Schneider		
Main Phone:	907-205-1181	**Cell Phone:**	907-205-1181
Email:	will@catalystcannabisco.com		

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Section 2 – Control Plan for Persons Under the Age of 21

2.1. Describe how the marijuana establishment will prevent persons under the age of 21 from gaining access to any portion of the licensed premises and marijuana items:

Every aspect of our operation will have a strong emphasis on security and preventing the exposure and diversion of marijuana to persons under the age of 21. The entrance to Catalyst Cannabis Co. will have a sign stating: "NOTICE: No Persons Under 21 Allowed" in clear view of any person approaching the entrance. Customers will be greeted in the entrance area by an employee trained to properly identify a valid form of photographic identification. An employee will check each person's ID before allowing entrance into the retail area.
The ID will be checked to insure it is a valid form of identification. Valid forms of ID include: 1) an unexpired, unaltered passport; 2) an unexpired unaltered driver's license, instruction permit or identification card of a state or territory in the United States, the District of Columbia, or a province or territory of Canada; 3) an identification card issued by a federal or state agency [Continued]

Section 3 – Security

Restricted Access Areas (3 AAC 306.710):

3.1. Describe how you will prevent unescorted members of the public from entering restricted access areas:

Catalyst Cannabis Co. will ensure its licensed premises will be designed, constructed, and engineered to prevent unauthorized entry into restricted access areas by unescorted members of the public. Our building's security landscape will include secure facility entry points utilizing commercial grade, non-residential door locks and deadbolts, full visual screening of the public and restricted access areas from the exterior of the facility, and a secure storage room. The interior of the facility will be segregated into customer and restricted access areas. Customers will not be permitted into restricted access areas, which include areas behind counters where marijuana and marijuana products are sold, office space, secure storage room, and other areas designated for employee use. Customers will be blocked from entering restricted areas by doors, walls, or other obstructions. Upon entry to the facility, customers will check in with the receptionist before being permitted into the retail sale area of the facility. [Continued]

3.2. Describe your recordkeeping and processes for admitting visitors into and escorting them through restricted access areas:

Visitors will not be permitted into restricted access areas without an escort from an authorized licensee or employee. When a visitor is admitted to a restricted access area of the licensed premises, an employee will log the visitor in and out. An employee will greet and triage visitors, directing every step of the intake process. At no point will the number of visitors exceed more than 5 for each licensee, employee, or agent of the company who is actively engaged in supervising visitors. Each visitor will be issued a visitor badge and the Catalyst Cannabis Co. employee will record in the organizational visitor logbook the visitor's name, affiliated organization, reason for visit, date, time in and out, and badge color and number. Any visitor to be admitted to a restricted access area will be required to present identification that complies with state regulations in order to enter the licensed premises restricted access area. No individual under the age of 21 will be admitted to restricted access areas under any circumstances. When visitors are admitted to a restricted access area of the licensed premises, a Catalyst Cannabis Co. employee will continuously visually supervise the individual(s) while on the premises. Employees will be trained on safe and secure visitor escort practices focused on surveillance, product diversion, and facility compliance. Every visitor will be clearly visible to at minimum one Catalyst Cannabis Co. employee at all times. [Continued]

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3.3. Provide samples of licensee-produced identification badges that will be displayed by each licensee, employee, or agent while on the premises, and of visitor identification badges that will be worn by all visitors while in restricted access areas:

MHP# 99999

Jane Doe
Budtender
CATALYST
CANNABIS CO.
CULTIVATING CHANGE

VISITOR

CATALYST
CANNABIS CO.

Security Alarm Systems and Lock Standards (3 AAC 306.715):

3.4. Exterior lighting is required to facilitate surveillance. Describe how the exterior lighting will meet this requirement:

The Catalyst Cannabis Co. retail store is located within a lit shopping center. The licensed premises will have adequate lighting to support and facilitate video surveillance. The exterior lighting landscape will provide high intensity dusk to dawn illumination to support exterior video surveillance camera fields, which will include the facility entrances and the employee and customer parking area(s). All lighting fixtures will be able to ensure proper illumination levels in order to support viable image retrieval from the video surveillance footage. All Catalyst Cannabis Co. facility security and emergency light fixtures will be tested regularly by our employees.

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3.5. An alarm system is required for all license types that must be activated on all exterior doors and windows when the licensed premises is closed for business. Describe the security alarm system for the proposed premises, explain how it will meet all regulatory requirements, and outline your policies and procedures regarding the actions to be taken by a licensee, employee, or agent when the alarm system alerts of an unauthorized breach:

Catalyst Cannabis Co. will engage a local professional security service provider to professionally install our security alarm, all cameras and associated wiring, and detection sensors that will be included in the overall security landscape. The cellular communication features of our alarm system will ensure reliable and fast communication without the need for a landline, battery backup power options, and secure broadcasting of critical messages. Catalyst Cannabis Co.'s alarm system will also feature continuous monitoring and customizable notifications providing us with a mobile application for authorized users, instantaneous alerts, personalized user access codes, and historical activity reporting, with the capability to search for specific events, activity by sensor, or date and time. The sensing system that integrates with our alarm system will include motion, pressure, and sound sensors, motion for spatial monitoring, pressure for windows and doors, and sound for perimeter protection.

All Catalyst Cannabis Co. employees will be trained on organizational standard operating procedures regarding all security logistics to include alarm system administration (arming/disarming), alarm system device management (cameras, DVR, sensors), and troubleshooting techniques to ensure all security equipment is 100% operational at all times, including after business hours. The alarm system will be activated by employees upon exiting the store any time the store will be closed for business with no employees present. Our alarm system and all associated sensor and detectors will be continuously monitored. The alarm system, access control devices, and video surveillance infrastructure will be supported with an auxiliary battery system that provides full operational viability during a total AC power loss incident for up to 48 hours. [Continued]

3.6. Describe your policies and procedures for preventing diversion of marijuana or marijuana product, including by employees:

Catalyst Cannabis Co. will ensure that all employees are trained on the detection and prevention of diversion of marijuana or marijuana products. Owners, employees, visitors and other individuals will be held to a zero tolerance policy on the diversion of marijuana. The state-required electronic tracking system will be used to ensure diversion of marijuana does not occur throughout the normal processes of retail operations. Marijuana will be entered into the system and tracked throughout the packaging and selling process.
[Continued]

3.7. Describe your policies and procedures for preventing loitering:

We intend to place signage inside and outside of our buildings that read "NOTICE this area is under 24 hour surveillance" and "No loitering or soliciting on this property" to alert all persons of company policy and potential legal actions. Catalyst Cannabis Co. will not tolerate loitering of any kind. Catalyst Cannabis Co. will ensure that its security plan and strategies include the mitigation of loitering by implementing practices that eliminate the causes of loitering to include addressing reclining/sleeping spots, the availability of food access in the area, reducing and/or eliminating (where allowable) cigarette smoking locations, and customer/employee parking lot activities. [Continued]

You must be able to certify the statement below. Read the following and then sign your initials in the box to the right: Initials

3.8. I certify that if any additional security devices are used, such as a motion detector, pressure switch, and duress, panic, or hold-up alarm, to enhance security of the licensed premises, I will have written policies and procedures describing their use.

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Video Surveillance (3 AAC 306.720):

You must be able to certify each statement below. Read the following and then sign your initials in the corresponding box: Initials

3.9. The video surveillance and camera recording system for the licensed premises covers each restricted access area, and both the interior and exterior of each entrance to the facility.

3.10. Each video surveillance recording: is preserved for a minimum of 40 days, in a format that can be easily accessed for viewing (consistent with the Alcohol & Marijuana Control Office's approved format list); clearly and accurately displays the time and date; and is archived in a format that does not permit alteration of the recorded image.

3.11. The surveillance room or area is clearly defined on the Form MJ-02: Premises Diagram that is submitted with this application.

3.12. Surveillance recording equipment and video surveillance records are housed in a designated, locked, and secure area or in a lock box, cabinet, closet or other secure area where access is limited to the licensee(s), an authorized employee, and law enforcement personnel (including an agent of the Marijuana Control Board).

3.13. Describe how the video cameras will be placed to produce a clear view adequate to identify any individual inside the licensed premises, or within 20 feet of each entrance to the licensed premises:

Catalyst Cannabis Co. will ensure that all video surveillance cameras at its licensed premises will be positioned to produce a clear view adequate to identify any individual inside the licensed premises or within 20 feet of each entrance to the licensed premises. We will implement the deter, deny, detect, record analyze strategic security model to ensure notices advising all persons of the ongoing video surveillance operations and will post such signage conspicuously in and around the interior and exterior of the licensed premises clearly reading "Activity inside this facility is subjected to video surveillance" and "Premises under video surveillance". On the interior of the licensed premises, video cameras will be placed in low and high risk areas alike, establishing clear sightlines at every entrance, in every vestibule, on every point of sale register, at secure storage rooms, in employee break rooms, and otherwise in every room of the building (except bathrooms) to ensure more than adequate visual coverage of the licensed premises. [Continued]

3.14. Describe the locked and secure area where video surveillance recording equipment and original copies of surveillance records will be housed and stored, and how you will ensure the area is accessible only to authorized personnel, law enforcement, or an agent of the Marijuana Control Board. If you will be using an offsite monitoring service and offsite storage of video surveillance records, your response must include how the offsite facility will meet these security requirements:

Catalyst Cannabis Co. will ensure to have a locked and secure area where video surveillance recording equipment and records will be housed. No wall(s) of the secure storage room will be perimeter walls of the building and entrance to the room will be regulated by access control systems either featuring commercial, non-residential deadbolts and locks or an electronic card or key credential identifier. The Catalyst Cannabis Co. secure storage rooms will be monitored and controlled by a combination of senior leadership, management, and authorized employees depending on department and job responsibility. We intend on constructing our secure storage room in the center portion of our licensed premises and will not be within visual sight of customers, visitors, and select employees. Additionally, a sign posted on the external wall of the storage room will clearly read "Restricted access area, authorized persons only" making all individuals aware of the storage room entrance requirements and credentials.
We will establish our secure storage room with only one entrance door that meets all commercial security standards. Entry into the main room/area will be restricted access governed by [Continued]

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Section 4 – Business Records

Review the requirements under 3 AAC 306.755. All licensed marijuana establishments must maintain, in a format that is readily understood by a reasonably prudent business person, certain business records.

4.1. I certify that the following business records will be maintained and kept on the licensed premises: Initials

a. **all books and records necessary to fully account for each business transaction conducted under my license for the current year and three preceding calendar years** *(records for the last six months must be maintained on the licensed premises; older records may be archived on or off-premises)*; [Initials]

b. **a current employee list setting out the full name and marijuana handler permit number of each licensee, employee, and agent who works at the marijuana establishment;** [Initials]

c. **the business contact information for vendors that maintain video surveillance systems and security alarm systems for the licensed premises;** [Initials]

d. **records related to advertising and marketing;** [Initials]

e. **a current diagram of the licensed premises, including each restricted access area;** [Initials]

f. **a log recording the name, and date and time of entry of each visitor permitted into a restricted access area;** [Initials]

g. **all records normally retained for tax purposes;** [Initials]

h. **accurate and comprehensive inventory tracking records that account for all marijuana inventory activity from seed or immature plant stage until the retail marijuana or retail marijuana product is sold to a consumer, to another marijuana establishment, or destroyed;** [Initials]

i. **transportation records for marijuana and marijuana product, as required by 3 AAC 306.750(f); and** [Initials]

j. **registration and inspection reports of scales registered under the Weights and Measures Act, as required by 3 AAC 306.745.** [Initials]

4.2. A marijuana establishment is required to exercise due diligence in preserving and maintaining all required records. Describe how you will prevent records and data, including electronically maintained records, from being lost or destroyed:

Catalyst Cannabis Co. will ensure that all required records will be maintained in either paper or electronic format. If in paper format, the records will remain in a locked, cabinet that is located in our secure storage room and area with access to such records limited to authorized employees and senior leadership. If in an electronic format, access to such records will be protected by a password that will be available only to authorized employees who have a need to access or create such records in accordance with their job function and all electronic records will be backed up on a server maintained both on-site and off-site.

We will retain all records in a format that is readily understood by a reasonably prudent business person and such recordkeeping of documents will include (1) all books and records necessary to fully account for each business transaction conducted, (2) a current Catalyst Cannabis Co. employee list complete with state marijuana handler permit number, (3) the business contact information for our security service vendor(s) that maintain our video surveillance and alarm system, (4) our records related to advertising and marketing, (5) a current diagram of the licensed premises including all restricted access areas, [Continued]

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Section 5 – Inventory Tracking of All Marijuana and Marijuana Product

Review the requirements under 3 AAC 306.730. All licensed marijuana establishments must use a marijuana inventory tracking system capable of sharing information with Metrc to ensure all marijuana cultivated and sold in the state, and each marijuana product processed and sold in the state, is identified and tracked from the time the marijuana is propagated from seed or cutting, through transfer to another licensed marijuana establishment, or use in manufacturing a marijuana product, to a completed sale of marijuana or marijuana product, or disposal of the harvest batch of marijuana or production lot of marijuana product.

You must be able to certify each statement below. Read the following and then sign your initials in the corresponding box: Initials

5.1. My marijuana establishment will be using Metrc, and if any other tracking software is used, it will be capable of sharing information with Metrc.

5.2. All marijuana delivered to a marijuana establishment will be weighed on a scale registered in compliance with 3 AAC 306.745.

5.3. My marijuana establishment will use registered scales in compliance with AS 45.75.080 (Weights and Measures Act), as required by 3 AAC 306.745.

Section 6 – Employee Qualification and Training

Review the requirements under 3 AAC 306.700. A marijuana establishment and each licensee, employee, or agent of the marijuana establishment who sells, cultivates, manufactures, tests, or transports marijuana or a marijuana product, or who checks the identification of a consumer or visitor, must obtain a marijuana handler permit from the board before being licensed or beginning employment at a marijuana establishment.

You must be able to certify each statement below. Read the following and then sign your initials in the corresponding box: Initials

6.1. Each licensee, employee, or agent of the marijuana establishment who sells, cultivates, manufactures, tests, or transports marijuana or marijuana product, or who checks the identification of a consumer or visitor, shall obtain a marijuana handler permit from the board before being licensed or beginning employment at the marijuana establishment.

6.2. Each licensee, employee, or agent who is required to have a marijuana handler permit shall keep that person's marijuana handler permit card in that person's immediate possession (or a valid copy on file on the licensed premises) when on the licensed premises.

6.3. Each licensee, employee, or agent who is required to have a marijuana handler permit shall ensure that that person's marijuana handler permit card is valid and has not expired.

6.4. Describe any in-house training that will be provided to employees and agents (apart from a marijuana handler course):

Ensuring our employees are knowledgeable and have a high degree of confidence with Alaska marijuana laws is a top priority of Catalyst Cannabis Co. All employees will be twenty-one years of age or older, will have completed a MCB certified marijuana handler permit course, and will have earned a certificate of course completion. Employees will only be hired after an interview process and providing a resume and list of references that demonstrates that they meet general qualifications for retail employment and specific qualifications necessary for working in the highly regulated marijuana retail industry. Employee training curriculum will include marijuana and marijuana product consumption effects, the identification of a marijuana impaired individual, how to determine valid identification, intervention techniques to prevent unlawful marijuana consumption, the associated penalties for an unlawful act by a licensee, employee, or agent of Catalyst Cannabis Co., [Continued]

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Section 7 – Health and Safety Standards

Review the requirements under 3 AAC 306.735.

You must be able to certify each statement below. Read the following and then sign your initials in the corresponding box: Initials

7.1. I understand that a marijuana establishment is subject to inspection by the local fire department, building inspector, or code enforcement officer to confirm that health or safety concerns are not present.

7.2. I have policies regarding health and safety standards (including: ensuring a person with an illness or infection does not come into contact with marijuana or marijuana product; good hygienic practices; cleaning and maintenance of equipment and the premises; pest deterrence; chemical storage; sanitation principles; and proper handling of marijuana and marijuana product) and will take all reasonable measures and precautions to ensure that they are met or exceeded.

7.3. I have policies to ensure that any marijuana or marijuana product that has been stored beyond its usable life, or was stored improperly, is not salvaged and returned to the marketplace.

7.4. I have policies to ensure that in the event information about the age or storage conditions of marijuana or marijuana product is unreliable, the marijuana or marijuana product will be handled in accordance with 3 AAC 306.735(d).

Answer "Yes" or "No" to each of the following questions:

	Yes	No
7.5. Adequate and readily accessible toilet facilities that are maintained and in good repair and sanitary condition are clearly indicated on my Form MJ-02: Premises Diagram.	☑	☐
7.6. Convenient handwashing facilities with running water at a suitable temperature are clearly indicated on my Form MJ-02: Premises Diagram.	☑	☐

7.7. If you answered "No" to either 7.5 or 7.6 above, describe how toilet and/or handwashing facilities are made accessible, as required by 3 AAC 306.735(b)(2):

Section 8 – Transportation and Delivery of Marijuana and Marijuana Products

Review the requirements under 3 AAC 306.750.

8.1. Describe how marijuana or marijuana product will be prepared, packaged, and secured for shipment. Include a description of the type of locked, safe, and secure storage compartments to be used in vehicles transporting marijuana or marijuana product:

Catalyst Cannabis Co. will prepare, package and secure shipments for delivery only to another marijuana retail store. All Catalyst Cannabis Co. employees will follow organizational logistical protocols regarding the preparation, packaging, labeling, and securing of marijuana and marijuana product. We will establish that thorough, secure packaging, labeling, and handling of all marijuana material leave no marijuana material untracked or unaccounted for both in physical logbooks and the MJ Freeway seed to sale inventory control system as unique identification tags will be affixed to all packages containing marijuana.
All marijuana product will be sealed in a package or container in batches not larger than 5 pounds and stored within a locked storage compartment within the transport vehicle. [Continued]

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Form MJ-01: Marijuana Establishment Operating Plan

You must be able to certify each statement below. Read the following and then sign your initials in the corresponding box: Initials

8.2. The marijuana establishment from which a shipment of marijuana or marijuana product originates will ensure that any individual transporting marijuana shall have a marijuana handler permit required under 3 AAC 306.700.

8.3. The marijuana establishment that originates the transport of any marijuana or marijuana product will use the marijuana inventory tracking system to record the type, amount, and weight of marijuana or marijuana product being transported, the name of the transporter, the time of departure and expected delivery, and the make, model, and license plate number of the transporting vehicle.

8.4. The marijuana establishment that originates the transport of any marijuana or marijuana product will ensure that a complete printed transport manifest on a form prescribed by the board must be kept with the marijuana or marijuana product at all times during transport.

8.5. During transport, any marijuana or marijuana product will be in a sealed package or container in a locked, safe, and secure storage compartment in the vehicle transporting the marijuana or marijuana product, and the sealed package will not be opened during transport.

8.6. Any vehicle transporting marijuana or marijuana product will travel directly from the shipping marijuana establishment to the receiving marijuana establishment, and will not make any unnecessary stops in between except to deliver or pick up marijuana or marijuana product at any other licensed marijuana establishment.

8.7. When the marijuana establishment receives marijuana or marijuana product from another licensed marijuana establishment, the recipient of the shipment will use the marijuana inventory tracking system to report the type, amount, and weight of marijuana or marijuana product received.

8.8. The marijuana establishment will refuse to accept any shipment of marijuana or marijuana product that is not accompanied by the transport manifest.

Section 9 – Signage and Advertising

9.1. Describe any signs that you intend to post on your establishment with your business name, including quantity, dimensions, graphics, and location on your establishment (photos or drawings may be attached):

Catalyst Cannabis Co. intends to have two signs with our business name at our retail establishment. Signs will not exceed 4800 sq inches each. One sign will be by the entrance to the retail establishment. It will include our entire business name and logo. This sign will be lighted and approximately 24 inches high and 48 inches wide. The other sign will be affixed to the north side of the building on the rear exterior wall of our unit. This sign will include our entire business name and our icon. This sign will be a lighted sign and will be approximately 48 inches tall by 100 inches wide.

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Form MJ-01: Marijuana Establishment Operating Plan

9.2. Describe any advertising you intend to distribute of your establishment. Include medium types and business logos (photos or drawings may be attached):

Catalyst intends to promote its brand and products through all available advertising methods. Such advertising will not be false or misleading and will not promote excessive consumption. Advertising will not state the existence of curative or therapeutic properties, it will not depict a person under the age of 21 using marijuana or marijuana products, and it will not be designed to appeal to children. All written advertising for marijuana and marijuana products will include the warning statements as prescribed in 3 AAC 306.360(e). Advertising may include placements in print media, television, radio, or online sources. A copy of the Catalyst logo is below.

CATALYST™

CANNABIS CO.

CULTIVATING CHANGE

I declare under penalty of unsworn falsification that this form, including all accompanying schedules and statements, is true, correct, and complete.

Signature of licensee

William Schneider

Printed name of licensee

CHRISTINA A. CLAYTON NOTARY PUBLIC STATE OF ALASKA My Commission Expires: 3/13/22

Notary Public in and for the State of Alaska

My commission expires: 3/13/22

Subscribed and sworn to before me this 23 day of May, 2018.

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(Additional Space as Needed):

2.1 Continued: authorized to issue a driver's license or identification card.

Identification will be checked again at the point of sale. All Catalyst Cannabis Co. employees will be trained on the organizational customer intake procedures that includes visually and physically inspecting all presented forms of identification as well as additional security check steps which may include utilization of black lights, markers, and bar-code scanners to verify legal and legitimate identification credentials.

Any person found to be under the age of 21 will be asked to leave the licensed premises immediately and will not be permitted to enter any portion of the licensed premise or allowed access to marijuana items. Furthermore, it is Catalyst Cannabis Co. policy for employees to notify the Anchorage Police Department, if necessary, to assist in any situation involving persons under the age of 21.

3.1 Continued:
Catalyst Cannabis Co. will have a professionally installed security alarm and video surveillance system that allows for 24 hour continuous operational monitoring and video recording. All facility interiors and exteriors (excluding bathrooms) will be intelligently monitored and our system will allow us to identify any person and their activities in (1) any area where marijuana or marijuana product is sold or stored, (2) all point of sale areas, (3) any room used to pack or unpack a secured container used to transport marijuana or marijuana products, (4) Catalyst Cannabis Co.'s security rooms housing our alarm and surveillance systems, and (5) all entrances and exits to/from the facility from indoor and outdoor locations.

3.2 Continued:
A Catalyst Cannabis Co. employee will oversee the completion of registration forms and visually account for every visitor during the process. Once the visitor is approved to enter a restricted access area, an employee will escort the individual and before any employee is relieved of their visual supervision responsibility, a verbal confirmation of visitor hand-off must be established to the assuming employee. A Catalyst Cannabis Co. employee will deliver the organizational visitation policies and procedures to all visitors upon intake. Per the visitor escorting and visual surveillance protocols, each individual will be instructed to not touch marijuana or marijuana product while on the licensed premises. Catalyst Cannabis Co. will ensure to maintain a log of all visitors to restricted access areas of the licensed premises for a minimum of 1 year (current license period) on-site and 5 years at an off-site location. Visitors to restricted access areas will be documented according to Marijuana Control Board requirements and Catalyst Cannabis Co. organizational standard operating procedures. A logbook will be securely filed on-site detailing visitor specifications, including their name, and date and time of entry into the restricted access area. Access to any and all visitor data will be limited to authorized employees, senior leadership, agents of the Marijuana Control Board, or any other agent of any regulatory agency. Files will be protected by physical, lockable cabinets and passwords where necessary for digital files that will only be available on a need-to-know basis to premise personnel and upon immediate request by the Marijuana Control Board or AMCO.

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(Additional Space as Needed):

3.5 Continued:
If the electronic notification system alerts law enforcement of an unauthorized breach in security, employees will be trained to escort all remaining customers and employees out of the building and away from the premises in a calm and safe manner. Employees will relocate at an established safe zone while waiting for authorities. The licensee, all employees or agents shall assist in any way to help law enforcement agencies by providing detailed descriptions of persons and events leading up to the breach in security. The licensee, employees and agents shall protect and preserve any evidence or area where the breach occurred, restricting access to the area and not disturbing anything until law enforcement arrives. Licensee, employees or agents shall assist the local authorities in any way possible when they arrive and as necessary. After the situation is settled and authorities have left, the employees will do a thorough walk through and look for property damage to be sure there was no diversion of marijuana and/or products or cash. Reports will be filed internally and all information in reports, any video footage, or any other information pertinent to investigation will be made available to the authorities as soon as possible.

3.6 Continued:
Any Catalyst Cannabis Co. employee that witness or suspect criminal activity will report this information to senior leadership immediately. We will train our employees on common pharmaceutical drug diversion techniques derived from healthcare models focused on employee and patient safety. Catalyst Cannabis Co. training will address instances of internal and external diversion practices, covering the marijuana and marijuana product movement process from seed to sale. And rotating inventory practices to ensure unpredictability and break routine behavior. Employee education concerning internal diversion threats will include employee theft or pilferage, operational phase opportunities during the ordering, inventorying, disposal and/or dispensing of marijuana and marijuana products, and the personnel styles of diversion of either individual actions or collaborative teamwork. Other mechanisms of product diversion that will be discussed during training will include employees manipulating point of sale parameters, "short filling" the customers allowable purchase quantity, employees placing marijuana or marijuana products into personal belongings like socks and shoes, pockets, wallets and purses, water bottle/beverage container, or body through their shift. Training information will highlight these potential diversion avenues due to their difficulty in tracking because no retail transaction occurs.

Catalyst Cannabis Co. employees will be educated and trained in participating in a company culture of accountability for the security of marijuana and marijuana product. To this end, all company employees will be made aware that the compliance department in conjunction with senior leadership will conduct regular internal audits of all workflow processes and procedures.

In the event of a discrepancy between weight/amount of marijuana or marijuana product dispensed, stored, and/or accounted for, Catalyst Cannabis Co., employees will immediately perform an internal audit to determine the source of discrepancy by viewing video surveillance footage, reviewing all operational logs, and creating a missing inventory report. if it is determined the discrepancy is due to theft of diversion, senior leadership will immediately be notified. Catalyst Cannabis Co. will cooperate with any Marijuana Control Board and/or Anchorage Police Department investigations or directives. [Continued next page]

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(Additional Space as Needed):

3.6 Continued: The detection and prevention of diversion of marijuana or marijuana product is recognized as a public safety and health concern and our employees will be thoroughly trained in all aspects of quality control and product security.

3.7 Continued:
Catalyst Cannabis Co. will train employees to politely request that suspect loiterers leave the area and not confront or engage with any irate, aggressive, hostile persons or large group of individuals and to call the Anchorage Police Department should law enforcement intervention be required.

3.13 Continued:
Catalyst Cannabis Co. will also ensure that a surveillance camera will be located and operated to capture activity at each entrance and exit.

Exterior egress cameras will be positioned to capture persons within 20 feet of any entrance or exit, and will have designated view angles featuring 360-degree perspectives. Surveillance cameras will also be positioned on the interior of the building at all ingress/egress points, ensuring the capture of facial characteristics of any individual entering or exiting the building. All exterior cameras will be mounted below any lighting fixtures to mitigate camera image blooming and ensure quality picture resolution. We will ensure a surveillance camera will capture activity at each entrance to restricted access areas where marijuana or marijuana product is packaged, tested, processed, stored, or dispensed. Catalyst Cannabis Co. will ensure security cameras are maintained at all ingress/egress points, hallways and storage areas, and public and operational zones. Video surveillance will be maintained for all marijuana exchange and cash transactions areas. The licensed premises shipping and receiving processes will always be conducted on camera and where applicable, lighting will automatically illuminate to guarantee quality video coverage that is unobstructed and appropriately contrasting.

3.14 Continued: industrial designed locking mechanisms to include door integrated keyed bolt locks, and where possible electronic and magnetic safeguards. Before entrance is permitted, the intrusion alarm monitoring system and/or devices will need to be disarmed. Upon entering the secure storage room, access into the safe/vault where marijuana, marijuana products, or company records and assets are stored will require additional and separate security procedures, depending on the item being accessed. Furthermore, Catalyst Cannabis Co. will ensure that there is no line of sight to the secure storage room from any public area of a licensed premise. Access controlled doors will be placed on full, windowless walls that will restrict movement into the licensed premises restricted access areas. All secured storage areas at Catalyst Cannabis Co. licensed premises will be available immediately upon request of the Marijuana Control Board, Anchorage Police Department, or any other agent of the Marijuana Control Board.

4.2 Continued: (6) all visitor access and log information to include name, date, and time of entry, (7) all records that a business would normally retain for tax purposes, (8) all accurate and comprehensive seed to sale inventory tracking metrics and records, and (9) transportation records for all marijuana and marijuana products as required by the Marijuana Control Board. [Continued on next page]

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(Additional Space as Needed):

4.2 Continued:
We will incorporate our compatible inventory tracking system compatible with the State's Metrc system, QuickBooks or similar professional accounting software for accounting purposes, Google Docs or similar cloud-based document storage program for transparent and accessible document storage, and other applications as needed to create and establish a comprehensive records retention program. We use the term "seed to sale" to demonstrate our intent to continue tracking all business operations from the point of cultivation to the point of retail sale, and all data sets and reporting facets associated with each phase.

Catalyst Cannabis Co. will retain all business records conducted under our license for the current year and three preceding calendar years securely on-site and readily available upon request for the Marijuana Control Board or any other regulatory agency. Once documents and records have surpassed a 3 year storage period on-site at our licensed premises, Catalyst Cannabis may archive the records in a secured, easily accessible off-site location.

6.4 Continued:
and all other integral operational topics to ensure compliance with marijuana handler permit requirements and Catalyst Cannabis Co. standard operating procedures.

Employee education may be supplemented with on-line tutorials and hard-copy binders containing relevant information and legal regulations and requirements. Additionally, Catalyst Cannabis Co. will utilize role-playing exercises into enhance employee confidence and knowledge. These exercises will replicate point of sale transaction scenarios with scripted questions covering all of the Marijuana Control Board items enumerated as responsibilities of Catalyst Cannabis Co., and we will continue to drill and question employees until an individual is able to deliver appropriate answers and conduct themselves compliantly with fluency.

8.1 Continued:
Packages that are being shipped will be sealed within one large opaque, tamper-evident container. Catalyst Cannabis Co. will use heavy duty Pelican Cases and TripLok currency deposit bags. Both options come in a variety of sizes and colors and may be used to securely contain multiple packages of marijuana, marijuana product, or marijuana byproduct. To maximize efficient security and to be conscientious of container waste, we will use the smallest opaque tamper-evident container possible. All contents within the container will be appropriately packaged and labeled. The name and address of our company will appear on each package label as it is listed in the Marijuana Control Board database. If a change of address or name shall occur, all printed materials will be updated promptly and all remaining package labels will be corrected before they are shipped. When a package is prepared for shipment by an employee the employee will use the marijuana inventory tracking system to record the type of marijuana and/or marijuana product, the amount and weight of product along with the name of the transporter, time of departure, expected delivery time and make, model and license plate number of the transporting vehicle. There will be a printed and completed transport manifest to be kept with package at all times. A copy of the transport manifest will be kept on premises for the establishment's records of transport.

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